NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE CASH MARKETS: Grade AA butter is unchanged at $1.9850. Barrel cheese increased 2 1/4 cents to $1.5450 and 40# blocks increased 5 cents to $1.6075.

BUTTER: Overall buying interest has slowed as many orders are lighter and being limited to shorter term needs. Ice cream and other Class II users continue to take quite a bit of cream and relatively little is left for churning. Stocks of butter range from in close balance to lighter than desired. Butter supplies continue to move from Western areas to help supplement local shortages in the Midwest and East. Some users of bulk butter continue to take advantage of quota and non quota imported butter which is also available.

CHEESE: Cheese demand is often slower as buyers use inventory before reordering. Increased temperatures and/or humidity impacted milk receipts and essentially, reduced cheese production east of the Rockies. Output is steady to higher in the West. Cumulative cheese output during the first 5 months of 1998 compared to the same period in 1997: American cheese 1.418 billion lbs, up 12.3 million lbs (0.9%); cheddar 1.139 billion lbs, off 555,000 lbs (NC); and total cheese 3.135 billion lbs up 81.2 million lbs (2.7%).

FLUID MILK: Milk production is declining essentially east of the Rockies and part of the Southwest. Receipts continue to build seasonally in the Mountain States and the Northwest where conditions are nearly ideal for milk production. Florida continues to import supplemental fluid volumes but the total is below comparable year ago levels. Manufacturing schedules are lower except in those areas showing intake increases. Holidays usually cause interruptions in operating schedules and between the Saturday holiday (for many bottlers) and declining volumes, little problem is expected in handling receipts.

DRY PRODUCTS: Recent market trends continue. The NDM market remains weak and Western drying remains heavy, though Central and Eastern output is lower. Clearances to CCC continue. Some traders do not feel that the new DEIP (GATT) year allocations will improve conditions in the short term. Buttermilk is generally steady to firm as churning declines and good seasonal demand for condensed. The whey market is firm and prices are mostly higher. Hot and humid conditions are reducing dryer efficiencies at some locations. Production is trending lower and stocks remain tight in some areas. The lactose market is weak as domestic interest is limited and export sales are impacted by the Asian currency problems. Production is heavy but expected to decline as milk receipts slide seasonally.

CCC: During the week of June 29 - July 3, net purchases totaled 7,885,687 lbs of NDM under the price support.

BASIC FORMULA PRICE: The basic formula price (BFP) for June 1998 is $13.10 per cwt. at 3.5% test. The June BFP is $2.22 more than May, and $2.36 higher than June 1997. The BFP is the base month M/W price of $11.05 plus a change of $2.05, which is the change in the butter/powder/cheese formula from May to June. For June, the NASS average cheese price was $1.4038. The butterfat differential is $0.217. Class III-A prices are: for Federal Orders 1 & 2, $15.27; for Order 4, $15.29; for Orders 124, 131, & 135, $15.37; for other affected orders, $15.38.

DEIP ALLOCATIONS: Agriculture Secretary Dan Glickman on June 30 announced one-year allocations under the Dairy Export Incentive Program (DEIP) for the period July 1, 1998 through June 30, 1999. Bonuses under the DEIP program are available for 84,212 metric tons (MT) of nonfat dry milk; 5,003 MT of whole milk powder; 29,854 MT of butterfat; and 3,350 MT of cheese. This compares to 92,217 MT of NDM, 7,487 MT of whole milk, 34,232 MT of butterfat, and 3,510 MT of cheese for the previous program year.

EQUIVALENT PRICE DETERMINATION: The U.S. Department of Agriculture has determined that the Chicago Mercantile Exchange (CME) Grade AA Butter Spot Call price less 9 cents is an equivalent butter price alternative for the discontinued CME Grade A butter price, which is used under Federal milk orders in computing the butterfat differential and the Basic Formula Price. The determination is effective June 26, 1998. For the month of June, the monthly average equivalent Grade A butter price will be computed by using a simple average of the CME Grade A butter prices for the first 25 days (June 1 through June 25) and the CME Grade AA prices minus 9 cents for the last 5 days (June 26 to June 30). (The figure for June is $1.8468.) Thereafter, the simple average of the daily CME Grade AA butter prices less 9 cents will be the equivalent Grade A butter price for the month.

DAIRY PRODUCTS (NASS): Butter production was 92.2 million lbs in May, 10.2% below May 1997 and 10.4% below April 1998. American type cheese production totaled 298.3 million lbs, 1.2% above last year and 2.9% above last month. Total cheese output (excluding cottage cheese) was 658.5 million lbs, 2.6% above last year and 2.7% above April. NDM output, for human food, totaled 121.6 million lbs, 8.3% below a year ago but 1.1% above last month. Dry whey output, for human food, was 99.1 million lbs, 2.2% above May 1997 and 9.0% above April.

COMMERCIAL DISAPPEARANCE (ERS, AMS): Commercial disappearance of dairy products during the period of January - April of 1998 totals 51.4 billion lbs, 2.4% more than the comparable period in 1997. Comparing disappearance levels with a year ago: American and other cheese are higher, but butter, NDM, and fluid products are lower.

****SPECIALS THIS ISSUE****

CHICAGO MERCANTILE EXCHANGE
CASH TRADING

LST = Last Significant Transaction

BUTTER ON THURSDAY, JULY 2, 1998

(CARLOT UNIT = 40,000-42,000 LBS.)

GRADES	CLOSE	CHANGE
AA	$1.9850	N.C.

SALES: NONE

BIDS UNFILLED: 1 CAR @ $1.9000

OFFERS UNCOVERED: 1 CAR @ $2.0500

CHEESE ON THURSDAY, JULY 2, 1998

(CARLOAD UNIT = 40,000-44,000 LBS.)

STYLES	CLOSE	CHANGE
BARRELS	$1.5450	+.0225
40# BLOCKS	$1.6075	+.0500

SALES: 48 CARS BARRELS:
10 @ $1.5350, 2 @ $1.5450,
35 @ $1.5500, 1 @ $1.5450 (LST)

8 CARS 40# BLOCKS @ $1.6075 (LST)

BIDS UNFILLED: 7 CARS 40# BLOCKS:
5 @ $1.6075, 2 @ $1.5800

OFFERS UNCOVERED: 1 CAR BARRELS @ $1.5675

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS--FEBRUARY-APRIL AND YEAR-TO-DATE 1997-98 1/

Item	Feb.-Apr. 1997	Percent change 4/	Feb.-Apr. 1998	Percent change 4/	Jan.-Apr. 1997	Percent change 4/	Jan.-Apr. 1998	Percent change 4/
	Million Pounds							
MILK								
Production	39,241	1.2	39,467	0.6	52,372	1.0	52,727	0.7
Marketings	38,893	1.3	39,138	0.6	51,903	1.1	52,283	0.7
Beginning Commercial Stocks 2/	5,042	6.1	5,306	5.2	4,704	14.8	4,889	3.9
Imports 2/	579	11.3	804	38.9	751	11.9	1,000	33.2
Total Supply 3/	44,514	1.9	45,248	1.6	57,358	2.2	58,172	1.4
Ending Commercial Stocks 2/	7,000	24.9	6,460	-7.7	7,000	24.9	6,460	-7.7
Net Removals 2/	123	339.3	166	35.0	150	368.8	289	92.7
Commercial Disappearance 3/	37,391	-1.7	38,622	3.3	50,208	-0.6	51,423	2.4
SELECTED PRODUCTS 5/								
Butter	265.8	-16.3	272.7	2.6	384.7	-13.6	370.3	-3.7
American Cheese	791.0	-0.2	811.0	2.5	1,066.1	3.6	1,093.0	2.5
Other Cheese	1,033.4	3.4	1,065.0	3.1	1,357.2	3.8	1,402.0	3.3
Nonfat Dry Milk	240.5	-9.0	228.8	-4.9	327.9	-8.5	294.2	-10.3
Fluid Milk Products 6/	13,656.0	-0.9	13,586.9	-0.5	18,566.7	-0.8	18,410.0	-0.8

1/ Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. 2/ Milk-equivalent, milkfat basis. Calculated using slightly different factors than previously. Further changes may be made as technical parameters become available. 3/ Totals may not add because of rounding. 4/ From year earlier on a daily average basis. 5/ Commercial disappearance in product pounds. 6/ Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA. This information is now available through AutoFAX. To request a document, dial (202) 219-1107 and enter document number 11521 when prompted.

BUTTER MARKETS

MAY BUTTER PRODUCTION

During May, butter production in the United States totaled 92.2 million pounds, 10.2% below May 1997and 10.4% less than April 1998. Production percentage changes from May 1997 for various states are: CA -24.3, MN +2.2, NY -34.6, OR -3.4, PA -11.6%, WA -24.4, and WI -11.1%. Cumulative output for the first 5 months of 1998 totals 512.2 million pounds, down 9.0% when compared to the same 5 months in 1997.

NORTHEAST

Premiums are steady and the market tone remains firm. Production levels in the Northeast are often lighter as milk supplies drop seasonally and the demand for cream remains very good. Ice cream and other Class II users continue to take quite a bit of cream and relatively little is left for churning. Butter stocks range from light to adequate as some producers did put some away earlier this spring. Also, bulk continues to come across the country to help supplement local stocks. Retail sales are generally slow due to price. Food service orders are fairly good in the resort areas now that vacation/tourist season gets into full swing.

CENTRAL

Butter markets remain firm. Prices continue to adjust higher following cash trading at the Chicago Mercantile Exchange. Current buying patterns are mixed. Some buyers that still have price protection continue to place regular summertime orders, while others are placing lighter orders. All-in-all, orders are being limited to immediate or short term needs. Stock levels are reported to be mixed. In most instances, inventories are lighter than desired for this time of the summer, but generally sufficient for current buyer interest.

WEST

Western butter pricing is unchanged, but follows cash trading trends at the Chicago Mercantile Exchange. As prices continue to increase, producers and handlers are finding more price resistance on the part of buyers. In most instances, buyers are placing orders of immediate needs versus acquiring additional stocks for future needs or to hedge against possible further price increases. Reports indicate that stock levels vary. Often, producer inventories are lighter than desired while others are comfortable and regularly clearing stocks versus holding them.

WHOLESALE SELLING DIFFERENTIALS, F.O.B. PRODUCING PLANTS, TRUCKLOAD QUANTITIES.

FIGURES REPRESENT THE RANGE IN PREMIUMS OR DISCOUNTS (CENTS/POUND) FROM THE CME GRADE AA CASH BUTTER CLOSE
JUNE 26, 1998 CLOSE = $1.9850

STYLE	NORTHEAST	CENTRAL	WEST
BULK	+4 to +5	+1 to +4	-4 1/2 to flat

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
06/29/98	11,219	106,833
06/01/98	12,597	109,785
CHANGE	-1,378	-2,952
% CHANGE	-11	-3

NASS CHEDDAR CHEESE PRICE SURVEY

	40# BLOCKS			640# BLOCKS	BARRELS (adjusted to 39% moisture)		
WEEK ENDING	MN/WI	WEST	U.S.	U.S.	MN/WI	OTH STATES	U.S.
	1.5487	1.4978	1.5091	1.4675	1.5200	1.4613	1.4875
JUNE 26	1,022,090	4,045,366	5,270,717	1,990,958	4,064,185	4,941,895	9,006,080

Further data and revisions may be found on the Internet at: http://usda.mannlib.cornell.edu/reports/nassr/price/cheddar/

CHEESE MARKETS

NORTHEAST

Prices are mostly steady to sharply higher on some product lines. The market tone is a little unsettled following the fractional decrease on barrels at the June 25, trading at the CME. Some contacts feel that the change was not an indicator of changing price trends and they are waiting to see what will happen at this week's (7/2) trading session. In the Northeast, cheese production is steady to lighter as surplus milk volumes are dropping along seasonal patterns. Recent hot weather did cause milk output to drop. June Dairy Month promotions are coming to an end and orders from retailers are often lighter as they use up existing stocks before reordering. Food service orders are steady to improved in resort areas now that vacation season is well under way.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.5200-2.0400
Cheddar Single Daisies	:	1.4900-2.0450
Cheddar 40# Block	:	1.6950-1.8450
Process 5# Loaf	:	1.6875-1.8600
Process 5# Sliced	:	1.6975-1.9175
Muenster	:	1.7275-2.0525
Grade A Swiss Cuts 10 - 14#	:	2.2500-2.5050

MIDWEST

The cheese market is mostly steady, although unsettled. At the Chicago Mercantile Exchange on June 25, barrels decreased 1/4 cent to $1.5225 and blocks were unchanged at $1.5575. Many packaging and/or process firms are operating on abbreviated schedules around the July 4th holiday weekend, reducing the need for bulk cheese. The vacation period is time for some buyers to reassess current market conditions. Early orders continue to exhibit slight softening from recent weeks as buyers seek to keep inventories from accumulating at the current "high" cheese prices. Current cheddar offerings are tight to adequate on barrels, generally adequate on blocks. Process movement is steady to slower. Mozzarella movement is mixed, but mostly at slower summer levels. Summer weather is noticeably impacting milk receipts in more areas and overall plant fluid intakes decline. Offerings of manufacturing milk from other sources are also declining and spot milk prices continue to increase.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.4975-1.8700
Brick And/Or Muenster 5#	:	1.8300-2.0400
Cheddar 40# Block	:	1.8225-1.9150
Monterey Jack 10#	:	1.9150-2.0225
Blue 5#	:	2.1650-2.3700
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9075-1.9150
Grade A Swiss Cuts 6 - 9#	:	2.2000-2.4850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants.

CHEDDAR STYLES	:	JUNE 29 - JULY 3, 1998
BARRELS*	:	$1.5225 - 1.5425 (NOMINAL)
	:	(-$.0025) (-.0025)
40# BLOCKS	:	$1.5675 - 1.5875 (NOMINAL)
	:	

( ) Change from previous week. * If steel, barrel returned.

WEST

Western cheese prices are unchanged with the overall tone steady. Production throughout the region remains strong as seasonal milk production nears peak levels. Some cheese producers continue to consider diverting milk away from cheese production toward butter/powder. Stock levels vary from clearing current output to accumulating. Buyer interest also is mixed. Some sellers are experiencing good sales while other are stating that current orders are centering around hand-to-mouth needs. Cheese production (excluding cottage cheese) in the United States during May totaled 658.5 million pounds, 2.6% heavier than May 1997 and 2.7% more than last month. Various Western states and their production percentage changes from last May are: CA +8.0%, ID +8.5%, UT +0.4% and WA +48.5%. For all of the previous mentioned states, output for May was higher when compared to April 1998.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.7100-1.9375
Cheddar 40# Block	:	1.7400-1.8200
Cheddar 10# Cuts	:	1.9500-2.0800
Monterey Jack 10#	:	1.9300-2.0425
Grade A Swiss Cuts 6 - 9#	:	2.3400-2.4000

FOREIGN TYPE CHEESE

Prices and the market tone are mostly unchanged. Stocks of foreign-type cheese range from tight to adequate depending on type and country of origin. Domestically made cheeses are available and often in better demand because of price considerations. Overall, demand for foreign type cheese is seasonally slow to fair.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

	NEW YORK	
VARIETY	IMPORTED	DOMESTIC
Roquefort	5.5000-6.8900	-0-
Blue	2.6400-3.1400	1.8925-2.5025
Gorgonzola	3.2400-5.9400	2.4900-2.5875
Parmesan (Italy)	TFEWR	3.3025-3.3425
Romano (Italy)	2.0900-2.9000	-0-
Provolone (Italy)	3.4400-5.5000	1.5650-2.0925
Romano (Cows Milk)	-0-	3.0700-3.4125
Sardo Romano (Argentine)	2.6500-3.2900	-0-
Reggianito (Argentine)	2.6500-3.2900	-0-
Jarlsberg-(Brand)	2.7400-3.1200	-0-
Swiss Cuts Switzerland	-0-	2.2500-2.5050
Swiss Cuts Finnish	2.5900-2.8500	-0-
Swiss Cuts Austrian	2.2500-2.7500	-0-
Edam		
2 Pound	TFEWR	-0-
4 Pound	2.1900-3.0900	-0-
Gouda, Large	2.3900-3.1500	-0-
Gouda, Baby ($/Dozen)		
10 Ounce	27.8000-31.7000	-0-

* = Price change.

FLUID MILK AND CREAM

EAST

Milk production continues to fall in the Southeast where there has been little or no relief to the very hot weather. Temperatures in the 90's and 100's have been common and milk output, according to one contact, is "falling big time." Farm pick up routes are often being consolidated. In Florida, milk output continues to drop, but not as sharply as past weeks and handlers report being fairly well balanced. However, they did import 23 loads of milk from the Middle Atlantic area. These loads were offset by the cancellation of 24 loads scheduled from regular sources. Florida's imports for the same week a year ago totaled 46 loads. In the Northeast, milk output is steady to lower. Recent storms caused power outages and localized flooding from Western Pennsylvania into New England. Roads were washed out and farm pick up and other transportation schedules were disrupted. Bottled milk sales range from very slow to fairly good for this time of year. Many bottlers will be down an extra day for the July 4th weekend. Manufacturing plant operating schedules range from light to moderate. Most balancing plants in the Southeast are idle or just being used as transfer stations. The condensed skim market is fairly brisk. Prices are often lower and demand is good, particularly for sales/deliveries after July 1. Prices are in a wider range because the week includes prices from both June and July. Based on July's Class II milk price ($11.18) and the anticipated butterfat differential for June, many contacts expect even lower prices for wet solids. The fluid cream market remains quite firm despite the record high price/close on butter at the CME. Offerings are light to adequate and some loads continue to be brought all the way from California. Ice cream producers report seasonally good demand despite recent price increase announcements which garnered national print and broadcast news coverage. The hot weather has helped boost sales of frozen novelties, soft serve and hard ice cream. Bottled and/or whipping cream sales are improved particularly where strawberries are in season. Cream cheese output is holding up quite well, but the high costs for cream are a concern to most manufacturers. Churning activity is light to moderate.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, $ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	2.6202 - 2.8286	
Delivered Equivalent Atlanta	-	2.6202 - 2.7790	M 2.6996 - 2.7393
F.O.B. Producing Plants: Upper Midwest	-	2.6530 - 2.7393	

PRICES OF CLASS II CONDENSED SKIM, $ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	-	.7000 - 1.0000

MIDWEST

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
JUNE 26 - JULY 1, 1998	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1997	0

Class I interest remains at good summer levels, though demand is bolstered somewhat by the usually stronger first of the month order improvement and lower federal order Class I prices. Manufacturing milk demand remains good and the volume of spot offerings continues to decline. Reported spot manufacturing milk prices are higher again this week, ranging from $1.00 - 1.90 over class/MCP delivered. Handlers expect the holiday weekend to cause very minimal, if any, increases to the volumes available. In parts of Ohio, more milk was available to manufacturing channels last weekend from bottlers. A total of 21 loads of Wisconsin milk are "direct shipped" and pooled under a Southern Federal Order and 3 other loads into the Missouri market. The heat and humidity experienced last week through most of the region finally ended earlier this week. The change helped stabilize milk volumes that had declined during the heat. Milk receipts are noticeably lower in some areas, especially the more southern states in the region where the heat continues. Cream prices are higher, reflecting the higher butter price at the Chicago Mercantile Exchange. Reported multiples are steady to occasionally lower on the top end of the range. More cream may be available to churns over the holiday weekend as some ice cream producers take an extra day off. The height of corn increased considerably last week with all the "heat units" and humidity. Recent precipitation has caused soggy fields and made hay/haylage difficult due to poor drying conditions.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

		PREVIOUS YEAR
SLAUGHTER COWS		$ 38.50- 44.00
REPLACEMENT HEIFER CALVES	$120.00-165.00	$ 90.00-150.00
	JUNE 25 - 30	PREVIOUS YEAR
	$ 36.00- 39.75	$ 38.00- 45.00

WEST

Milk production in California is holding up rather well on a seasonal basis. Weather conditions are generally dry and cooler than normal, allowing for near ideal summer conditions for cow comfort. Feed is generally available and moderately priced, with the possible exception of alfalfa. Drying conditions have been better for the later cutting and the condition of the crop is better. Dairy buyers are being offered and buying more Premium/Extra Premium alfalfa and prices are dropping for lesser quality alfalfa. Very hot weather, often above 110 degrees, has moved into Arizona. Major portions of the dairy area of New Mexico are also being affected by hot weather. The heat continues to stress cows and milk output continues to decline. Plants are receiving less milk and operating schedules are lower. Cream demand is still quite good despite the now record high Grade AA butter price at the Chicago Mercantile Exchange. Multiples are still in the 115 to 130 range, but more are clustered near the bottom of the range. Part of the decline is that more multiples are now being based on the Grade AA butter prices, since the CME stopped trading Grade A butter. Milk production in the Northwest continues to build seasonally. Weather conditions are reported to be nearly ideal and conducive to positive production growth. Hay harvest continues at various stages. First and second cuttings are on the market, but quality, or lack there of, is very apparent. Milk output in the Mountain States region continues to increase toward seasonal peak levels. Weather conditions in the region are also becoming more summer like, thus overall milk production is strong. Milk volumes are readily available to local manufacturing plants to the point that some milk handlers, who are at capacity levels, might have to clear milk to other plants within the region.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 07/01/98 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are lower on the top end of the range, but the mostly is unchanged. The market tone is weak. Producer supplies continue to surpass buyer demand. Multi-load deals are available from some sellers at discounted prices. However, interest is slow. Production levels are decreasing in areas as milk production begins to drop. U.S. production of human food NDM during May totaled 121.6 million pounds, down 8.3% from last year but 1.1% above April. (Combined MN and WI production during May totaled 2,263,000 pounds.) Manufacturers' stocks at the end of May totaled 132.7 million pounds, 12.2% lower than last year but 17.3% higher than last month.

Includes EXTRA GRADE and GRADE A, low and medium heat
NONFAT DRY MILK: 1.0150 - 1.0400 MOSTLY: 1.0250 - 1.0350

DRY BUTTERMILK - CENTRAL

Prices are lower and the market tone is steady to weaker. Trading activity is surprisingly light. Spot demand is limited and contracts are the focus for many sellers. Production levels are seasonally lower and stocks are available for needs. During May, dry buttermilk production totaled 5.1 million pounds, up 9.3% from last year and 0.5% higher than April. End-of-month stocks totaled 6.2 million pounds, up 44.3% from a year earlier and 8.3% higher than last month.

BUTTERMILK: .9300 - .9600

DRY WHEY - CENTRAL

Prices are higher and the market tone remains firm. Many end users are selectively purchasing due to the uncertainty in market conditions. Sellers seem to be moving off some of the higher premiums. This is increasing sales activity. More supplier offerings have been reported and multiple loads can be found. Production levels remain strong, but are expected to decline in the next few weeks. Hot and humid conditions across the region have contributed to equipment and processing problems at a few plants. U.S. production of human food whey during May totaled 99.1 million pounds, 2.2% higher than last year and 9.0% above last month. End-of-May stocks, at 29.7 million pounds, are 7.1% lower than last year but up 1.2% from April. Production in May with changes from May 1997 are: Wisconsin, 25.3 million pounds, -7.9% and Minnesota, 9.9 million pounds, -6.4%.

NONHYGROSCOPIC: .2675 - .2825 MOSTLY: .2700 - .2775

ANIMAL FEED WHEY - CENTRAL

Prices for milk replacer, standard, and roller ground are higher; delactose is unchanged. Demand is fair and hand-to-mouth buying is common among end users. Offgrade whey continues to follow the edible market trend, but sources indicate that prices may have hit the "ceiling" for some feed users. A few have switched to using whey alternatives, such as lactose and WPC, in blends due to the current price advantages. Delactose sales range from slow to active. Hot and humid weather conditions are limiting some usage due to hygroscopicity concerns and resulting production problems. May U.S. animal feed, dry whey production totaled 6.6 million pounds, 23.7% higher than last year but 17.5% less than April. Month-ending stocks were 4.4 million pounds, 0.1% less than last year and 12.1% lower than last month. Animal feed, reduced lactose and minerals whey production during May totaled 2.8 million pounds, 4.3% more than last year and 11.4% higher than April; while stocks (animal and human), at 9.7 million pounds, were 25.3% less than last year.

MILK REPLACER:	.2300 - .2575
STANDARD:	.2200 - .2350
ROLLER GROUND:	.2700 - .2750
DELACTOSE (Min. 20% protein):	.3275 - .3675

LACTOSE - CENTRAL AND WEST

Prices are lower on both ranges. The market tone remains weak. Domestic interest is limited and producer stocks are heavy. U.S. suppliers continue to adjust prices for export customers. All reported third quarter contract prices are lower than second quarter figures. A combination of foreign economic factors, such as the Far East currency crisis, are negatively affecting some domestic producers. New Zealand and Australia are increasing their market share for Japanese business due to current dollar comparisons. Production is strong at many plants, although expected to decrease with milk volumes in upcoming weeks. U.S. lactose production during May totaled 40.3 million pounds, down 0.3% from last year but 7.8% more than April. End-of-May stocks, at 32.7 million pounds, are 43.0% higher than last year and 15.9% above last month. Production in May with changes from 1997 are: Minnesota, 11.9 million pounds, +8.1%; and Wisconsin, 8.8 million pounds, -6.9%.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.
EDIBLE: .1700 - .2600 MOSTLY: .1800 - .1900

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

The price range has narrowed and the mostly is unchanged. The market is beginning to show signs of stability. The large volume offerings at extreme discounts have cleared up. Renewed interest was reported as some buyers have cautiously re-entered the market. Some contacts wonder if the bottom of the market is near. U.S. production of human food WPC during May totaled 21.8 million pounds, a 16.8% increase from last year and 11.2% higher than the previous month. Manufacturers' stocks at the end of May totaled 11.6 million pounds, 8.6% higher than last year but 0.9% lower than last month.

EXTRA GRADE 34% PROTEIN: .5175 - .5725 MOSTLY: .5500 - .5650

NONFAT DRY MILK - WEST

Nonfat dry milk prices are unchanged and the market tone remains weak. Support purchases continue to be used to balance surplus stocks and offerings to the CCC are again increasing. USDA announced one-year allocations under the Dairy Export Incentive Program (DEIP) for the period July 1998 through June 1999. Bonuses under the DEIP program are available for 84,212 metric tons of NDM, 8,005 MT (8.7%) lower than the 1997/1998 period. Most contacts do not expect that new DEIP year allocations and sales will impact current market conditions. Building production levels continue in many areas of the West. Hotter weather has curtailed production in Arizona and New Mexico, but production is active in California and Washington. Stocks are heavy for low heat, but in better balance for medium and high heat. During the week of June 22 - 26, Western and Central producers offered 3.0 million pounds of NDM to the CCC under the support program. U.S. NDM production in May totaled 121.6 million pounds, down 8.3% from last year but 1.1% higher than April. Stocks at the end of the month were reported at 132.7 million pounds, down 12.2% from last year but 17.3% more than last month. May production in California totaled 48.5 million pounds, down 3.5% from last year, and Washington output totaled 12.9 million pounds, down 22.9% from a year ago.

Includes EXTRA GRADE and GRADE A
LOW/MEDIUM HEAT: 1.0000 - 1.0400 MOSTLY: 1.0200 - 1.0300
HIGH HEAT: 1.0450 - 1.0550

DRY BUTTERMILK - WEST

Prices and the market tone are fully steady. Demand remains limited and is noted to be affected by the shortened week. Churning schedules are often lower due to cream being diverted to other usages, especially ice cream. Buttermilk drying is currently limited as the call for condensed buttermilk remains seasonally high. Stocks remain in excess of current needs. U.S. buttermilk powder production in May totaled 5.1 million pounds, up 9.3% from last year and 0.5% higher than April. Stocks at the end of the month were reported at 6.2 million pounds, up 44.3% from a year earlier and 8.3% higher than April.

BUTTERMILK: .9000 - .9400 MOSTLY: .9100 - .9300

DRY WHEY - WEST

Western whey markets remain firm. Prices are unchanged to higher. Western stock levels are generally tight. Cheese production is lighter, thus the volume of whey for drying is also less available. Buyers are finding that delays in shipments are not uncommon. Midwestern buyers continue to look to the West for potential supplies. If stocks are found, some buyers are stating that freight rates back to the Midwest are increasing and making the potential purchase not as attractive as before. Export sales remain active with new buyer interest continuing to develop. Human food whey production during May totaled 99.1 million pounds, 2.2% heavier than May 1997 and 9.0% more than last month. Manufacturers' month ending stocks totaled 29.7 million pounds, 7.1% lighter than last May, but 1.2% heavier than April 1998.

NONHYGROSCOPIC: .2250 - .2400 MOSTLY: .2275 - .2350

CALIFORNIA MANUFACTURING PLANTS

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended June 26, on powder sales of 8,181,896 pounds f.o.b. California manufacturing plants was $1.0312 per pound. This compares to 8,866,414 pounds at $1.0313 for the previous week ending June 19, 1998. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are unchanged and the market tone remains weak. Production levels are light as most Eastern producers are clearing increasing volumes of solids as condensed skim. This trend is expected to continue when one factors in the July Class II milk price ($11.18), the anticipated butterfat differential, and the expected high Class III-A milk price. Milk receipts at most Eastern butter/ powder plants are lighter and most expect no problems handling milk over the July 4th weekend. The 1998/99 DEIP allocations for NDM were announced. This program's NDM total is 84,212 MT, down from 92,216 MT during the last program. The reduction is consistent with the U.S.'s Uruguay Round export subsidy reduction commitments. Production of human food, nonfat dry milk during May 1998 totaled 121.6 million pounds, down 8.3% from May 1997 but 1.1% more than April 1998. Month ending stocks, at 132.7 million pounds, are 12.2% below a year ago but 17.3% more than last month.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:	
LOW/MEDIUM HEAT:	1.0200 - 1.0500
HIGH HEAT:	1.0550 - 1.1100 MOSTLY: 1.0700 - 1.0800
DELVD SOUTHEAST:	
ALL HEATS:	1.0600 - 1.0825

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are mostly steady. Production levels are light. The moderate churning activity coupled with very good condensed or liquid buttermilk sales are keep drying schedules to a minimum. Producer inventories range from light to closely balanced for the fair demand. Dry buttermilk production during May 1998 totaled 5.1 million pounds, up 9.3% from May 1997 and up 0.5% from April 1998. Month ending stocks, at 6.2 million pounds, are 44.3% more than a year ago and 8.3% more than last month.

F.O.B. NORTHEAST:	.9200 - .9600
DELVD SOUTHEAST:	.9500 - 1.0025

DRY WHOLE MILK - NATIONAL

Prices are steady to higher at the low end of the range. Some producers have adjusted their prices because of the butterfat value and others are expecting further adjustments after the June BFP is announced. Most feel that milk prices will be sharply higher. Production levels are steady to lighter depending on the region of the country and surplus milk availability. Demand is slow to fair. The 1998/99 DEIP allocations for dry whole milk were announced at 5,003 MT (11,029,613 lbs.). This is a drop of 2,484 MT from the previous program which is consistent without Uruguay Round export subsidy reduction commitments. Dry whole milk production during May 1998 totaled 12.1 million pounds, up 27.5% from May 1997 and 7.1% above April 1998. Month ending stocks, at 8.5 million pounds, are 37.3% above a year ago and 26.2% above last month.

F.O.B. PRODUCING PLANT: 1.2575 - 1.5300

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1997 THROUGH JUNE 26, 1998
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK Program allocations filled	-- 92,216	MT (203,299,393 LBS)
WHOLE MILK POWDER Program allocations filled	-- 7,487	MT (16,505,840 LBS)
CHEESE Program allocations filled	-- 3,510	MT (7,738,146 LBS)
BUTTERFAT	-- 15,648	MT (34,497,580 LBS)
REALLOCATED NDM	-- 660	MT (1,455,036 LBS)

Allocations for the DEIP year beginning July 1, 1997, are:
Nonfat dry milk - 92,217 MT; Whole Milk Powder - 7,487 MT;
Cheese - 3,510 MT; Butterfat - 34,232 MT.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are higher again this week and the market tone is still quite firm. Demand remains just fair. Contacts report that offerings are a little more common from resellers and, to a lesser degree, producers. Most producers report being sold out and have little or no powder for spot sales. There is some speculation that resellers may be trying to clear some of their inventories while the market is still fairly firm. The holiday shortened week is being cited as a possible cause for this week's relative lack of activity. Production of human food, dry whey during May 1998 totaled 99.1 million pounds, 2.2% more than May 1997 and 9.0% more than April 1998. Month ending stocks, at 29.7 million pounds, are 7.1% below a year ago but 1.2% above a month ago.

F.O.B. NORTHEAST:	EXTRA GRADE	.2675 - .2725
	USPH GRADE A	.2650 - .2775
DELVD SOUTHEAST:		.2875 - .3125

ANIMAL FEED WHEY - NORTHEAST

Prices remain too few to report. Offerings from producers remain tight, but there continues to be reports of more offerings, particularly from resellers. Spot buying interest remains slow. Production of animal feed, dry whey during May 1998 totaled 6.6 million pounds 23.7% more than May 1997 but 17.5% less than April 1998.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

EVAPORATED MILK - NATIONAL

Prices are unchanged. However, most producers expect the June BFP milk prices to be sharply higher which could affect prices, incentives/allowances, or both. Production levels are often lighter as the volumes of surplus milk are seasonally lighter in most regions of the country. Demand is basically unchanged. The Kansas City Commodity office announced the purchase of 73,440 pounds of canned evaporated milk under EVD-1, invitation 460 at prices ranging $.4855 - .4933 per pound for delivery in August 1998. Canned evaporated milk production during May 1998 totaled 39.4 million pounds, 17.0% less than May 1997 but 25.8% more than April 1998. Month ending stocks, at 44.3 million pounds, are 27.3% more than a year ago and 19.2% above last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES $22.50 - 33.00
Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein prices remain unchanged, although the market tone for both acid and rennet is weak. Offerings of lower priced product continue to occur with few new sales reported. Stocks of both acid and rennet are readily available for current needs. In most instances, buyers of casein are not extending their buying pattern beyond quarterly commitments with many purchasing on a shorter time frame.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	2.0500 - 2.1600
ACID:	2.0000 - 2.1000

MONTHLY SUMMARY AND AVERAGES FOR JUNE 1998 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 22 JUN 01 - 05	REPORT NUMBER 23 JUN 08 - 12	REPORT NUMBER 24 JUN 15 - 19	REPORT NUMBER 25 JUN 22 - 26	REPORT NUMBER 26 JUN 29 - 30	1998 Average or Total	1997 Average or Total
BUTTER							
CHICAGO MERCANTILE EXCHANGE 3/ - CASH TRADING							
-- Grade AA	1.7400	1.9000	1.9500	1.9850		1.8618	1.1294
-- Grade A	1.7400	1.9000	1.9500	**		N.A.	1.0500
-- Grade B	1.7400	1.9000	1.9500	**		N.A.	1.0500
CENTRAL STATES PRINT (f.o.b. LTL)							
-- Grade AA, 1/4 Lb. Prints	1.8000 - 2.2075	1.8400 - 2.2475	*			N.A.	1.4332
-- Grade AA, 1 Lb. Prints	1.7650 - 1.9275	1.8050 - 1.9675	*			N.A.	1.2757
-- Grade AA, Chips/Patties	1.7900 - 2.0000	1.8300 - 2.0400	*			N.A	1.3244
-- Grade AA, Reddies	1.8750 - 2.1100	1.9150 - 2.1500	*			N.A	1.4219
-- Grade AA, Continentals	2.0300 - 2.2200	2.0700 - 2.2600	*			N.A.	1.5544
NORTHEAST PRINT (Delivered, LTL)							
-- Grade AA, 1/4 Lb. Prints	1.9100 - 2.1575	1.9500 - 2.1975	*			N.A.	1.3457
-- Grade AA, Chips/Patties	1.8875 - 2.0950	1.9275 - 2.1350	*			N.A.	1.4019
-- Grade AA, Reddies	1.9625 - 2.1575	2.0025 - 2.1975	*			N.A.	1.4894
-- Grade AA, Continentals	2.0425 - 2.2175	2.0825 - 2.2575	*			N.A.	1.5594
CALIFORNIA PRINT (Delivered, LTL)							
-- Grade AA, 1/4 Lb. Prints	1.9825 - 2.0500	2.0225 - 2.0900	*			N.A.	1.4368
-- Grade AA, 1 Lb. Prints	1.9075 - 2.0225	1.9475 - 2.0625	*			N.A.	1.3718
-- Grade AA, Patties	1.9550 - 2.1200	1.9950 - 2.1600	*			N.A.	1.4668
-- Grade AA, Reddies	2.0800 - 2.0975	2.1200 - 2.1375	*			N.A.	1.5193
CALIFORNIA PLANTS PRINT (f.o.b. LTL)							
-- Grade AA, 1/4 Lb. Prints	1.7625 - 1.8075	1.8025 - 1.8475	*			N.A.	1.1481
CHEESE							
CHICAGO MERCANTILE EXCHANGE 3/ - CASH TRADING							
-- Barrels	1.4450	1.4950	1.5250	1.5225		1.4773	1.1249
-- 40# Blocks	1.4925	1.5375	1.5575	1.5575		1.5169	1.1666
MIDWEST COMMODITY CHEDDAR (f.o.b.)							
-- Cheddar Barrels	1.3100 - 1.3300	1.4550 - 1.4650	1.5050 - 1.5150	1.5250 - 1.5450	1.5225 - 1.5425	1.4632	N.A.
-- Cheddar 40# Blocks	1.3500 - 1.3800	1.5125 - 1.5275	1.5575 - 1.5675	1.5675 - 1.5875	1.5675 - 1.5875	1.5127	N.A.
WISCONSIN (WSP, Delivered, LTL)							
-- Process American 5# Loaf	1.4975 - 1.6700	1.4975 - 1.7400	1.4975 - 1.7475	1.4975 - 1.8700	1.4975 - 1.8700	1.6323	1.5250
-- Brick And/Or Muenster 5#	1.6200 - 1.8225	1.6900 - 1.9650	1.6900 - 2.0100	1.8300 - 2.0400	1.8300 - 2.0400	1.8427	1.5569
-- Cheddar 40# Block	1.6150 - 1.9150	1.7100 - 1.9150	1.7100 - 1.9150	1.8225 - 1.9150	1.8225 - 1.9150	1.8196	1.6669
-- Monterey Jack 10#	1.8100 - 1.9150	1.8800 - 1.9575	1.8800 - 2.0025	1.9150 - 2.0225	1.9150 - 2.0225	1.9270	1.7669
-- Blue 5#	1.9575 - 2.1600	2.1000 - 2.2300	2.1450 - 2.2300	2.1650 - 2.3700	2.1650 - 2.3700	2.1786	1.9007
-- Mozzarella 5 - 6#	1.7000 - 1.9150	1.7700 - 1.9150	1.7700 - 1.9150	1.9075 - 1.9150	1.9075 - 1.9150	1.8564	1.7282
-- Grade A Swiss Cuts 6 - 9#	2.2000 - 2.4850	2.2000 - 2.4850	2.2000 - 2.4850	2.2000 - 2.4850	2.2000 - 2.4850	2.3425	2.3181
NORTHEAST (WSP, Delivered, LTL)							
-- Cheddar 10# Prints	1.2600 - 1.8325	1.2600 - 1.9750	1.2600 - 2.0200	1.2600 - 2.0400	1.5200 - 2.0400	1.6286	1.4194
-- Cheddar Single Daisies	1.2300 - 1.8375	1.2300 - 1.9800	1.2300 - 2.0250	1.2300 - 2.0450	1.4900 - 2.0450	1.6161	1.4019
-- Cheddar 40# Block	1.4875 - 1.6375	1.6300 - 1.7800	1.6750 - 1.8250	1.6950 - 1.8450	1.6950 - 1.8450	1.7035	1.3788
-- Process 5# Loaf	1.5200 - 1.6475	1.6550 - 1.7825	1.7050 - 1.8325	1.7350 - 1.8625	1.6875 - 1.8600	1.7226	1.4058
-- Process 5# Sliced	1.5400 - 1.7050	1.6750 - 1.8400	1.7250 - 1.8900	1.7550 - 1.9200	1.6975 - 1.9175	1.7609	1.4267
-- Muenster	1.5200 - 1.8450	1.6625 - 1.9875	1.7075 - 2.0325	1.7275 - 2.0525	1.7275 - 2.0525	1.8235	1.5564
-- Grade A Swiss Cuts 10 - 14#	2.2500 - 2.5050	2.2500 - 2.5050	2.2500 - 2.5050	2.2500 - 2.5050	2.2500 - 2.5050	2.3775	2.3775
WEST COAST (WSP, Delivered, LTL)							
-- Process 5# Loaf	1.5050 - 1.7225	1.6400 - 1.8575	1.6800 - 1.9075	1.7100 - 1.9375	1.7100 - 1.9375	1.7522	1.5030
-- Cheddar 40# Block	1.5325 - 1.6550	1.6750 - 1.7550	1.7200 - 1.8000	1.7400 - 1.8200	1.7400 - 1.8200	1.7184	1.5391
-- Cheddar 10# Cuts	1.7725 - 1.8725	1.8900 - 2.0150	1.9300 - 2.0600	1.9500 - 2.0800	1.9500 - 2.0800	1.9525	1.6816
-- Monterey Jack 10#	1.7275 - 1.8350	1.8500 - 1.9775	1.8900 - 2.0225	1.9300 - 2.0425	1.9300 - 2.0425	1.9164	1.6566
-- Grade A Swiss Cuts 6 - 9#	2.2800 - 2.3700	2.2800 - 2.3700	2.3200 - 2.3700	2.3400 - 2.4000	2.3400 - 2.4000	2.3439	2.4488

* Following report number 23, Dairy Market News discontinued print butter price reporting. Therefore, no monthly averages were computed.
** June 19, 1998 was the last day that Grades A & B butter were traded at the Chicago Mercantile Exchange.

MONTHLY SUMMARY AND AVERAGES FOR JUNE 1998 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 22 JUN 01 - 05	REPORT NUMBER 23 JUN 08 - 12	REPORT NUMBER 24 JUN 15 - 19	REPORT NUMBER 25 JUN 22 - 26	REPORT NUMBER 26 JUN 29 - 30	1998 Average or Total	1997 Average or Total
FLUID AND DRY PRODUCTS							
SPOT PRICES OF CLASS II CREAM ($ per lb. butterfat)							
Delivered Equivalent:							
-- Northeast	2.2440 - 2.4140	2.2968 - 2.4090	2.5080 - 2.6426	2.5740 - 2.8080	2.6202 - 2.8286	2.5086	1.5715
-- Atlanta	2.0930 - 2.3800	2.1450 - 2.4360	2.3370 - 2.6600	2.5350 - 2.7300	2.6202 - 2.7790	2.4404	1.5329
-- Upper Midwest	2.1225 - 2.3800	2.3490 - 2.4534	2.4186 - 2.6410	2.4960 - 2.7300	2.6530 - 2.7393	2.4713	1.5400
SPOT PRICES OF CONDENSED SKIM ($ per lb. wet solids)							
Delivered Equivalent:							
-- Northeast	0.8200 - 1.0000	0.8000 - 1.0000	0.8000 - 1.0000	0.8000 - 1.0000	0.7000 - 1.0000	0.8977	1.0542
WISCONSIN FLUID MILK SHIPMENTS							
-- Loads Shipped from Wisconsin Shipping Points	0	0	0	0		0	0
NATIONAL EVAPORATED MILK ($ per Case)							
(Case - 48 - 12 fluid oz cans)							
-- Delivered Major U.S. Cities	22.5000 -33.0000	22.5000 -33.0000	22.5000 -33.0000	22.5000 -33.0000	22.5000 -33.0000	27.7500	27.7500
NONFAT DRY MILK							
-- Central (f.o.b.)							
-- Extra And Grade A	1.0150 - 1.0425	1.0150 - 1.0400	1.0150 - 1.0450	1.0150 - 1.0450	1.0150 - 1.0400	1.0289	1.0788
-- Mostly	1.0250 - 1.0350	1.0250 - 1.0350	1.0250 - 1.0350	1.0250 - 1.0350	1.0250 - 1.0350	1.0300	1.0750
-- West (f.o.b.)							
-- Low/Medium Heat	1.0000 - 1.0400	1.0000 - 1.0400	1.0000 - 1.0400	1.0000 - 1.0400	1.0000 - 1.0400	1.0200	1.0523
-- Mostly	1.0200 - 1.0300	1.0200 - 1.0300	1.0200 - 1.0300	1.0200 - 1.0300	1.0200 - 1.0300	1.0250	1.0450
-- High Heat	1.0450 - 1.0550	1.0450 - 1.0550	1.0450 - 1.0550	1.0450 - 1.0550	1.0450 - 1.0550	1.0500	1.0765
-- Northeast (f.o.b.)							
-- Low/Medium Heat	1.0200 - 1.0500	1.0200 - 1.0500	1.0300 - 1.0500	1.0200 - 1.0500	1.0200 - 1.0500	1.0361	N.A.
-- High Heat	1.0500 - 1.1100	1.0550 - 1.1100	1.0550 - 1.1100	1.0550 - 1.1100	1.0550 - 1.1100	1.0819	N.A.
-- Mostly	1.0700 - 1.0800	1.0700 - 1.0800	1.0700 - 1.0800	1.0700 - 1.0800	1.0700 - 1.0800	1.0750	N.A.
-- Southeast (Delvd)							
-- Extra & Grade A	1.0550 - 1.0825	1.0550 - 1.0825	1.0600 - 1.0825	1.0600 - 1.0825	1.0600 - 1.0825	1.0701	1.0968
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	0.2300 - 0.2550	0.2400 - 0.2650	0.2500 - 0.2700	0.2625 - 0.2775	0.2675 - 0.2825	0.2580	0.1911
-- Mostly	0.2350 - 0.2450	0.2450 - 0.2550	0.2550 - 0.2600	0.2650 - 0.2700	0.2700 - 0.2775	0.2556	0.1882
-- West (f.o.b.)	0.2150 - 0.2350	0.2150 - 0.2350	0.2200 - 0.2350	0.2200 - 0.2400	0.2250 - 0.2400	0.2274	0.2033
-- Mostly	0.2200 - 0.2300	0.2250 - 0.2300	0.2250 - 0.2325	0.2250 - 0.2325	0.2275 - 0.2350	0.2278	0.1984
-- Northeast Extra Grade (f.o.b.)	0.2300 - 0.2350	0.2400 - 0.2450	0.2550 - 0.2600	0.2575 - 0.2675	0.2675 - 0.2725	0.2507	0.1861
-- Northeast Usph Grade A(f.o.b.)	0.2400 - 0.2500	0.2450 - 0.2600	0.2550 - 0.2600	0.2575 - 0.2700	0.2650 - 0.2775	0.2562	0.1879
-- Southeast Extra Grade (Delvd)	0.2475 - 0.2800	0.2575 - 0.2925	0.2700 - 0.3000	0.2800 - 0.3025	0.2875 - 0.3125	0.2807	0.2096
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	0.5450 - 0.6100	0.5300 - 0.5950	0.5200 - 0.5900	0.5075 - 0.5800	0.5175 - 0.5725	0.5584	0.5802
-- Mostly	0.5750 - 0.5850	0.5650 - 0.5750	0.5500 - 0.5650	0.5500 - 0.5650	0.5500 - 0.5650	0.5655	0.5846
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	0.2000 - 0.2200	0.2000 - 0.2400	0.2200 - 0.2500	0.2300 - 0.2500	0.2300 - 0.2575	0.2278	0.1711
-- Standard	0.1850 - 0.2100	0.1900 - 0.2150	0.2100 - 0.2300	0.2150 - 0.2350	0.2200 - 0.2350	0.2127	TFEWR
-- Roller Ground	0.2400 - 0.2450	0.2500 - 0.2550	0.2600 - 0.2650	0.2625 - 0.2675	0.2700 - 0.2750	0.2572	0.1929
-- Delactose	0.3400 - 0.3675	0.3400 - 0.3675	0.3275 - 0.3675	0.3275 - 0.3675	0.3275 - 0.3675	0.3503	0.3376
-- Northeast (f.o.b.)							
-- Milk Replacer	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR	0.1733
BUTTERMILK (Min. 30% protein)							
-- Central (f.o.b.)	0.9325 - 0.9675	0.9325 - 0.9675	0.9325 - 0.9675	0.9325 - 0.9675	0.9300 - 0.9600	0.9495	1.0745
-- West (f.o.b.)	0.9000 - 0.9400	0.9000 - 0.9400	0.9000 - 0.9400	0.9000 - 0.9400	0.9000 - 0.9400	0.9200	1.0463
-- Mostly	0.9100 - 0.9300	0.9100 - 0.9300	0.9100 - 0.9300	0.9100 - 0.9300	0.9100 - 0.9300	0.9200	1.0367
-- Northeast (f.o.b.)	0.9500 - 0.9650	0.9400 - 0.9650	0.9300 - 0.9600	0.9200 - 0.9600	0.9200 - 0.9600	0.9480	1.0774
-- Southeast (Delvd)	0.9500 - 1.0025	0.9500 - 1.0025	0.9500 - 1.0025	0.9500 - 1.0025	0.9500 - 1.0025	0.9763	1.1140
WHOLE MILK POWDER							
-- National							
-- F.O.B. Producing Plant	1.2075 - 1.4500	1.1200 - 1.4500	1.1200 - 1.4500	1.1200 - 1.5300	1.2575 - 1.5300	1.3139	1.2065
LACTOSE							
-- Central And West (f.o.b.)	0.1800 - 0.2600	0.1800 - 0.2600	0.1800 - 0.2600	0.1800 - 0.2600	0.1700 - 0.2600	0.2195	0.2507
-- Mostly	0.1950 - 0.2050	0.1950 - 0.2050	0.1900 - 0.2000	0.1900 - 0.2000	0.1800 - 0.1900	0.1964	0.2537
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	2.0500 - 2.1600	2.0500 - 2.1600	2.0500 - 2.1600	2.0500 - 2.1600	2.0500 - 2.1600	2.1050	2.3019
-- Nonrestricted - Acid	2.0000 - 2.1000	2.0000 - 2.1000	2.0000 - 2.1000	2.0000 - 2.1000	2.0000 - 2.1000	2.0500	2.1000

1/ Prices for all products not footnoted 2/ or 3/ are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing. 2/ The monthly averages are simple averages of all the prices reported during the month and are shown on the Friday line. 3/ The monthly averages are based on the exchange trading date prices and are time-weighted for each day, starting with the exchange trading date, until the next exchange trading date - Saturdays, Sundays, and National Holidays are included.

USDA ANNOUNCES ALLOCATIONS UNDER THE EXPORT ENHANCEMENT PROGRAM AND THE DAIRY

WASHINGTON, June 30, 1998--Agriculture Secretary Dan Glickman today announced one-year allocations under the Dairy Export Incentive Program (DEIP) for the period July 1998 through June 1999.

"These allocations are consistent with our Uruguay Round export subsidy reduction commitments and demonstrate our resolve to maintain export markets by countering unfair trading practices," Glickman said. "We reserve the right -- as do all countries -- to self-defense. It is USDA's intention to use the DEIP where needed and as appropriate."

Because of market conditions, not all allocations will be made operational at this time. Invitations for offers under the DEIP will be issued soon.

If allocations are made operational, export sales will be facilitated through the payment of bonuses by the USDA's Commodity Credit Corporation (CCC). Sales of nonfat dry milk, whole milk powder, butterfat, and Cheddar, Colby, Cream, Gouda, Monterey Jack, Mozzarella, processed American and Swiss and Emmentaler cheeses will be made through normal commercial channels at competitive world prices.

Allocations under the DEIP program are available for 84,212 metric tons of nonfat dry milk; 5,003 metric tons of whole milk powder; 29,854 metric tons of butterfat; and 3,350 metric tons of Cheddar, Colby, Cream, Gouda, Monterey Jack, Mozzarella, processed American, Swiss and Emmentaler cheeses.

Country quantities may be further limited by the applicable invitation. For more information, call the CCC Operations Division at (202) 720-5540 or (202) 720-6211.

Quantities and Destinations for U.S. Nonfat Dry Milk Powder Eligible for Bonus Awards under the DEIP

COUNTRY/REGIONAL ALLOCATIONS	METRIC TONS
Caribbean, Central and South America	38,912

(Argentina, Bahamas, Barbados, Belize, Bermuda, Bolivia, Brazil, Cayman Islands, Chile, Colombia, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Netherlands Antilles, Nicaragua, Panama, Paraguay, Peru, St. Lucia, St. Vincent, Trinidad and Tobago, Venezuela)

Africa and Middle East	17,500

(Algeria, Angola, Bahrain, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Canary Islands, Cape Verde, Central African Republic, Chad, Congo, Cote d'Ivoire, Cyprus, Djibouti, The Democratic Republic of the Congo, Egypt, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Israel, Jordan, Kenya, Kuwait, Lebanon, Lesotho, Madagascar, Malawi, Mali, Malta, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Oman, Qatar, Rwanda, Sao Tome & Principe, Saudi Arabia, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Tunisia, Turkey, Uganda, United Arab Emirates, Yemen, Zambia, Zimbabwe)

Asia and Former Soviet Union:	27,800

(Armenia, Azerbaijan, Bangladesh, Byelarus, China, Georgia, Hong Kong, Indonesia, Kazakstan, South Korea, Kyrgyzstan, Malaysia, Moldova, Philippines, Russia, Singapore, Sri Lanka, Taiwan, Tajikistan, Thailand, Turkmenistan, Ukraine, Uzbekistan, Vietnam)

Quantities and Destinations for U.S. Dry Whole Milk Eligible for Bonus Awards under the DEIP

COUNTRY/REGIONAL ALLOCATIONS	METRIC TONS
GLOBAL TOTAL	5,003

Caribbean, Central and South America

(Argentina, Bahamas, Belize, Bermuda, Bolivia, Brazil, Cayman Islands, Chile, Colombia, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Netherlands Antilles, Nicaragua, Panama, Peru, St. Lucia, St. Vincent, Trinidad and Tobago, Venezuela)

Africa, Middle East and Former Soviet Union

(Algeria, Angola, Armenia, Azerbaijan, Bahrain, Benin, Botswana, Burkina Faso, Burundi, Byelarus, Cameroon, Canary Islands, Cape Verde, Central African Republic, Chad, Congo, Cote d'Ivoire, Cyprus, Djibouti, The Democratic Republic of the Congo, Egypt, Equatorial Guinea, Gabon, Gambia, Georgia, Ghana, Guinea, Israel, Jordan, Kazakstan, Kenya, Kuwait, Kyrgyzstan, Lebanon, Lesotho, Madagascar, Malawi, Mali, Malta, Mauritania, Mauritius, Moldova, Morocco, Mozambique, Namibia, Niger, Nigeria, Oman, Qatar, Russia, Rwanda, Sao Tome & Principe, Saudi Arabia, Senegal, Sierra Leone, South Africa, Swaziland, Tajikistan, Tanzania, Togo, Tunisia, Turkey, Turkmenistan, Uganda, Ukraine, United Arab Emirates, Uzbekistan, Yemen, Zambia, Zimbabwe)

(Continued)

USDA ANNOUNCES ALLOCATIONS UNDER THE EXPORT ENHANCEMENT PROGRAM AND THE DAIRY (continued)

Quantities and Destinations for U.S. Butterfat Eligible for Bonus Awards under the DEIP

COUNTRY/REGIONAL ALLOCATIONS	METRIC TONS
Caribbean, Central and South America	14,000

(Argentina, Bahamas, Belize, Bermuda, Bolivia, Brazil, Cayman Islands, Chile, Colombia, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Netherlands Antilles, Nicaragua, Panama, Peru, St. Lucia, St. Vincent, Trinidad and Tobago, Venezuela)

Africa and Middle East	2,500

(Algeria, Angola, Bahrain, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Canary Islands, Cape Verde, Central African Republic, Chad, Congo, Cote d'Ivoire, Cyprus, Djibouti, The Democratic Republic of the Congo, Egypt, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea, Israel, Jordan, Kenya, Kuwait, Lebanon, Lesotho, Madagascar, Malawi, Mali, Malta, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Oman, Qatar, Rwanda, Sao Tome & Principe, Saudi Arabia, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Turkey, Uganda, United Arab Emirates, Yemen, Zambia, Zimbabwe)

Asia and Former Soviet Union:	13,354

(Armenia, Azerbaijan, Bangladesh, Byelarus, China, Georgia, Hong Kong, Indonesia, Kazakstan, South Korea, Kyrgyzstan, Malaysia, Moldova, Philippines, Russia, Singapore, Sri Lanka, Taiwan, Tajikistan, Thailand, Turkmenistan, Ukraine, Uzbekistan, Vietnam)

Quantities and Destinations for U.S. Cheddar, Colby, Cream, Gouda, Monterey Jack, Mozzarella, Processed American Cheese, and Swiss & Emmenthaler Eligible for Bonus Awards under the DEIP

COUNTRY/REGIONAL ALLOCATIONS	METRIC TONS
GLOBAL TOTAL	3,350

Caribbean, Central and South America

(Argentina, Bahamas, Belize, Bermuda, Bolivia, Brazil, Cayman Islands, Chile, Colombia, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Netherlands Antilles, Nicaragua, Panama, Peru, St. Lucia, St. Vincent, Trinidad & Tobago, Venezuela)

Africa and Middle East

(Algeria, Angola, Bahrain, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Canary Islands, Cape Verde, Central African Republic, Chad, Congo, Cote d'Ivoire, Cyprus, Djibouti, The Democratic Republic of the Congo, Egypt, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea, Israel, Jordan, Kenya, Kuwait, Lebanon, Lesotho, Madagascar, Malawi, Mali, Malta, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Oman, Qatar, Rwanda, Sao Tome & Principe, Saudi Arabia, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Tunisia, Turkey, Uganda, United Arab Emirates, Yemen, Zambia, Zimbabwe)

Asia and Former Soviet Union:

(Armenia, Azerbaijan, Bangladesh, Byelarus, China, Georgia, Hong Kong, Indonesia, Kazakstan, Kyrgyzstan, Malaysia, Moldova, Philippines, Russia, Singapore, Sri Lanka, Taiwan, Tajikistan, Thailand, Turkmenistan, Ukraine, Uzbekistan)

JUNE 1998 DEIP BID ACCEPTANCE

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
	NONFAT DRY MILK			
JULY 1997 - MAY 1998		91,859		
06/01	CARIBBEAN & MEXICO	17	N0V-DEC	$880
06/16	CARIBBEAN & MEXICO	340	JUN-AUG	$845
JUNE 1 - 30, 1998		357		
PROGRAM TO DATE		92,216		
	WHOLE MILK POWDER			
JULY 1997 - MAY 1998		7,487		
JUNE 1 - 30, 1998		0		
PROGRAM TO DATE		7,487		
	CHEESE			
JULY 1997 - MAY 1998		3,510 ADJUSTED TOTAL		
JUNE 1 - 30, 1998		0		
PROGRAM TO DATE		3,510		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN CHEESE, CC-CREAM CHEESE				
	BUTTEROIL/ANHYDROUS MILKFAT			
JULY 1997 - MAY 1998		15,648*		
JUNE 1 - 30, 1998		0*		
PROGRAM TO DATE		15,648*		
A-ANHYDROUS, O-BUTTEROIL, B-BUTTER				
*TOTALS DO NOT ADD DUE TO CONVERSION OF ANHYDROUS /BUTTEROIL TO BUTTER EQUIVALENT				
				PROGRAM-TO-DATE
	TOTAL MT			118,861
	TOTAL BONUS VALUE			$106,863.000

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain (202) 720-6211. Conversion: 1 metric ton (MT) = 2,204.6 pounds.

SOURCE: FOREIGN AGRICULTURAL SERVICE

MAY 1998 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 92.2 million pounds in May, 10.2 percent below May 1997 and 10.4 percent below April 1998. **AMERICAN TYPE CHEESE** production totaled 298.3 million pounds, 1.2 percent above May 1997 and 2.9 percent above April 1998. **TOTAL CHEESE** output (excluding cottage cheese) was 658.5 million pounds, 2.6 percent above May 1997 and 2.7 percent above April 1998. **NONFAT DRY MILK** production, for human food, totaled 121.6 million pounds, 8.3 percent below May 1997 but 1.1 percent above April 1998. **DRY WHEY** production, for human food, was 99.1 million pounds, 2.2 percent above May 1997 and 9.0 percent above April 1998. **ICE CREAM** (hard) production totaled 78.6 million gallons, 2.4 percent below May 1997 and 0.3 percent below April 1998.

PRODUCTION OF DAIRY PRODUCTS

PRODUCT	MAY 1998 1,000 LBS.	PERCENT CHANGE FROM: MAY 1997	APR 1998	YEAR TO DATE 1/
BUTTER	92,246	-10.2	-10.4	-9.0
CHEESE				
AMERICAN TYPES 2/	* 298,264	1.2	2.9	0.9
CHEDDAR	241,399	0.7	3.8	-0.3
SWISS	18,511	-1.8	2.4	---
BRICK & MUENSTER	9,264	0.7	8.2	---
CREAM & NEUFCHATEL	51,817	6.6	2.9	---
BLUE	3,553	3.4	-8.9	---
HISPANIC	6,221	7.3	-9.7	---
MOZZARELLA	207,665	3.7	4.6	3.8
OTHER ITALIAN TYPES	52,649	2.6	-4.7	4.8
TOTAL ITALIAN TYPES	260,314	3.5	2.6	4.0
ALL OTHER TYPES 3/	10,584	5.9	4.6	---
TOTAL	658,528	2.6	2.7	2.7
COTTAGE CHEESE, CURD 4/	37,877	-6.6	2.0	---
COTTAGE CHEESE, CREAMED 5/	30,676	-2.7	1.2	0.5
COTTAGE CHEESE, LOWFAT 6/	30,520	-0.5	0.7	2.5
CANNED EVAPORATED & CONDENSED				
WHOLE MILK	39,355	-17.0	25.8	---
DRY WHOLE MILK	12,052	27.5	7.1	---
NONFAT DRY MILK, HUMAN FOOD	7/ 121,645	-8.3	1.1	-3.2
DRY SKIM MILK, ANIMAL FEED	459	-12.7	-9.1	

PRODUCT	MAY 1998 1,000 LBS.	PERCENT CHANGE FROM: MAY 1997	APR 1998	YEAR TO DATE 1/
DRY BUTTERMILK	5,096	9.3	0.5	---
YOGURT (PLAIN AND FLAVORED)	135,049	0.3	2.6	---
CONDENSED WHEY, SOLIDS CONTENT 8/				
SWEET-TYPE, HUMAN FOOD	11.671	-31.9	5.4	---
SWEET-TYPE, ANIMAL FEED	1,907	-14.7	-2.6	---
DRY WHEY PRODUCTS				
DRY WHEY, HUMAN FOOD	99,086	2.2	9.0	---
DRY WHEY, ANIMAL FEED	6,592	23.7	-17.5	---
REDUCED LACTOSE AND MINERALS				
HUMAN FOOD	6,147	23.3	-4.2	---
ANIMAL FEED	2,837	4.3	11.4	
LACTOSE, HUMAN FOOD & ANIMAL FEED	40,262	-0.3	7.8	---
WHEY PROTEIN CONCENTRATE				
HUMAN FOOD	21,776	16.8	11.2	---
ANIMAL FEED	3,512	14.8	7.0	---
FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
ICE CREAM (HARD)	78,560	-2.4	-0.3	0.2
ICE CREAM, LOWFAT (HARD)	9,029	-2.9	-1.7	---
ICE CREAM, LOWFAT (SOFT)	26,499	-6.0	15.9	---
ICE CREAM, LOWFAT (TOTAL)	35,528	-5.2	10.9	-10.3
SHERBET (HARD)	4,547	-17.1	-0.9	-4.6
YOGURT	7,859	-11.3	-5.1	-11.0

MANUFACTURERS' STOCKS, END OF MONTH 9/

PRODUCT	MAY 1998 1,000 LBS.	PERCENT OF: MAY 1997	APR 1998
DRY WHEY PRODUCTS			
DRY WHEY, HUMAN FOOD	29,710	-7.1	1.2
DRY WHEY, ANIMAL FEED	4,433	-0.1	-12.1
REDUCED LACTOSE & MINERALS--HUMAN & ANIMAL 10/	9,668	-25.3	15.4
LACTOSE, HUMAN FOOD & ANIMAL FEED	32,694	43.0	15.9
DRY BUTTERMILK, TOTAL	6,177	44.3	8.3

PRODUCT	MAY 1998 1,000 LBS.	PERCENT OF: MAY 1997	APR 1998
WHEY PROTEIN CONCENTRATE			
HUMAN FOOD	11,646	8.6	-0.9
ANIMAL FEED	1,653	103.8	18.4
CANNED EVAPORATED & CONDENSED WHOLE MILK	44,345	27.3	19.2
DRY WHOLE MILK	8,456	37.3	26.2
NONFAT DRY MILK FOR HUMAN FOOD	132,679	-12.2	17.3
DRY SKIM MILK FOR ANIMAL FEED	927	5.3	-4.0

1/ 1998 cumulative as percent change of 1997 cumulative. 2/ Whole milk cheese, including Cheddar, colby, washed curd, stirred curd, monterey and jack. 3/ Does not include part skim cheese beginning January 1996 or Hispanic cheese beginning June 1996. 4/ Mostly used for processing into creamed or lowfat cottage cheese. 5/ Fat content 4 percent or more. 6/ Fat content less than 4 percent. 7/ Includes combined Minnesota and Wisconsin production of 2,263,000 lbs. 8/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 9/ Stocks held by manufacturers at all points and in transit. 10/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. *Includes combined Minnesota and Wisconsin production of 128,340,000 lbs.

SOURCE: "Dairy Products," Da 2-6 (7-98), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF OF JUNE 29 - JULY 3			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/97	SAME PERIOD LAST YEAR	PERIOD ENDING 06/26/98	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	330,284	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	392,874	-0-	-0-
Process	-0-	-0-	-0-	-0-	1,026,000	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	1,749,158	-0-	-0-
NONFAT DRY MILK							
Nonfortified	7,885,687	-0-	7,885,687	110,826,100	5,340,045	-0-	-0-
Fortified	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	7,885,687	-0-	7,885,687	110,826,100	5,340,045	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF JUNE 29 - JULY 3, 1998 =	1.7	91.8	COMPARABLE WEEK IN 1997 =	2.7	8.1
CUMULATIVE SINCE OCTOBER 1, 1997 =	24.4	1,290.0	CUMULATIVE SAME PERIOD LAST YEAR =	17.3	79.5
CUMULATIVE JANUARY 1 - JULY 3, 1998 =	22.7	1,198.6	COMPARABLE CALENDAR YEAR 1997 =	17.3	79.5

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22
**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/97 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
REGION	1997/98	1996/97	1997/98	1996/97	1997/98	1996/97	1997/98	1996/97
MIDWEST	-0-	-0-	-0-	1,356,284	9,021,760	-0-	8.1	72.3
WEST	-0-	-0-	-0-	392,874	101,517,797	5,340,045	91.6	27.7
EAST	-0-	-0-	-0-	-0-	286,543	-0-	0.3	0.0
TOTAL	-0-	-0-	-0-	1,749,158	110,826,100	5,340,045	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1998

MANUFACTURING MILK: Average Test 3.67% - $10.05 per cwt.; 3.5% - $9.95

DOLLARS PER POUND

BUTTER: Bulk $.6500; 1# Prints $.6800

CHEESE: 40 & 60# Blocks $1.1150; 500# Barrels $1.0850; Process American 5# $1.1675; Process American 2# $1.2075

NONFAT DRY MILK: Nonfortified $1.0280; Fortified $1.0380; Instant $1.1855

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 06/13/98 & Comparable Week 1997 1/ 2/

Regions*	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL: WEEK	U.S. TOTAL: SINCE JAN 1	% DAIRY OF ALL: WEEK	% DAIRY OF ALL: SINCE JAN 1
1998-Dairy cows HD (000)	0.2	1.4	5.5	4.0	18.0	1.7	2.6	1.1	8.5	3.1	46.0	1,271.7	42.4	47.3
1997-Dairy cows HD (000)	0.3	1.4	5.1	4.4	17.3	2.0	2.5	1.1	8.1	2.9	45.0	1,361.7	44.6	46.2
1998-All cows HD (000)	0.2	1.5	8.2	14.5	25.3	17.0	17.0	6.5	11.2	7.3	108.6	2,689.3		
1997-All cows HD (000)	0.3	1.4	7.0	15.2	23.9	12.8	16.3	6.9	10.8	6.4	101.0	2,948.6		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CCC MARKET PRICE INVITATIONS 6/26 AND PURCHASES 7/1

	JULY DELIVERY	AUGUST DELIVERY
PROCESS		
PROCESS 5# LOAF		356,400 $1.6050-1.6400
PROCESS SLICED		950,400$11.7285-1.7850
NATURAL AMERICAN		
CHEDDAR		159,800
MOZZARELLA		
MOZZARELLA	1,491,840	2,298,240

OFFERS ARE DUE JUNE 30. PUBLIC RELEASE IS SCHEDULED FOR 4:00P.M. ON JULY 2.

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/97 = 64,566,634 CUMULATIVE TOTAL NDM PURCHASES SINCE 10/1/97 = 85,979

BASIC FORMULA PRICE (BFP), MAY 1995* TO DATE & HISTORIC M-W (3.5% BF, $/CWT.)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
1994	12.41	12.41	12.77	12.99	11.51	11.25	11.41	11.73	12.04	12.29	11.86	11.38
1995	11.35	11.79	11.89	11.16	*11.12	11.42	11.23	11.55	12.08	12.61	12.87	12.91
1996	12.73	12.59	12.70	13.09	13.77	13.92	14.49	14.94	15.37	14.13	11.61	11.34
1997	11.94	12.46	12.49	11.44	10.70	10.74	10.86	12.07	12.79	12.83	12.96	13.29
1998	13.25	13.32	12.81	12.01	10.88	13.10						